

From: DuPont Community Credit Union, Gerald Hershey
Subject: Reg Z - Truth in Lending

Comments:

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Jennifer J. Johnson, Secretary Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW Washington, DC 20551 Re: Docket No. R-1364 - Interim Final rule on Implementation of the CARD Act Dear Ms. Johnson: DuPont Community Credit Union (DCCU) welcomes this opportunity to comment on the Board's Interim Final Rule amending Regulations Z to implement provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009. DuPont Community Credit Union is a state-chartered federally-insured credit union with over 55,000 members and \$700,000,000 in assets. We offer a full range of credit products from small personal signature loans through home-equity lines of credit and mortgages. DCCU generally supports the Board's efforts to comply with the recently enacted Credit CARD Act and wholeheartedly agree with the spirit behind measures designed to improve consumer access to safe, fair, and flexible credit. As a consumer-owned financial co-operative we respectfully request that the Board consider the operational and financial impact this new regulation may have on our institution and the availability of affordable credit for all consumers. We have two specific issues we encourage the Board to consider. The 21-day rule It is our belief that the application of the 21-day rule to all open-end consumer credit is too broad. All other provisions of the Credit CARD Act apply specifically to credit cards exclusively (hence the name) and we believe that the 21-day rule should also apply only to credit cards. Open-end lending has been a staple of the credit union movement for many years and continues to be a successful, convenient, and reasonably-priced option for many consumers. These new disclosure requirements could restrict the ability of credit unions to continue to offer this excellent service. We acknowledge that the Board did not write the law and is restricted in its options with regard to this issue, but we request that the Board consider

the special needs of credit unions using open-end credit plans to meet the various and varied needs of their members. We appreciate that the Board has offered a temporary solution to the 21-day requirements but the "short period of time" that this option is available to us is not adequately defined. We urge the Board to define not only the time frame the "temporary fix" will be available, but also what courses of action the Board will find acceptable until credit unions can be brought into technical compliance with the rule. The 45-day notice We are also concerned with the 45-day additional notice required for accounts delinquent more than 60 days found at 226.9(h)(3)(i) and elaborated on in the Official Staff Interpretations. Example (ii) of the interpretation for this provision appears to indicate that a creditor must give an additional 45-days advance notice of the rate increase to consumers that are more than 60 days delinquent. We interpret this to mean that if a consumer rejects the rate increase after the initial 45-day notice, the rate cannot be changed for such accounts until approximately 105 days after delinquency. A possible alternative to the additional 45-day notice requirement would be to allow a credit union to disclose the date the penalty rate will go into effect in the initial notice, regardless of acceptance or rejection, if payment is not received within 60 days of the due date. DCCU appreciates the opportunity to comment on this Interim Final Rule. DCCU has a 50 year history of providing access to low-cost credit to the diverse members of our community and we are concerned that the issues addressed in this letter will make it harder for us to continue to do this. We respectfully request the Board consider these matters when issuing the Final Rule. Sincerely, Gerald Hershey, President & CEO DuPont Community Credit Union